

## **Scott Bader Corporate Social Responsibility**

Scott Bader has a rich heritage as a Common Trusteeship Company with a clear set of values and guiding principles handed down by the Founder, Ernest Bader, when he gifted the company to the employees in 1951. The Company has a long standing history of ethical, social and environmental concern and responsibility.

Ernest Bader's intention was to create a company whose well-being is entrusted to those who work in it, with democratic involvement, thereby incorporating Scott Bader into the local and wider community.

This allows the Business to better understand its effects and influences on its stakeholders. Scott Bader deals honestly and openly, not just with those involved in our value chain, but all parties who hold an interest in our operations.

### **Where do our products go?**

Our specialty chemical products are used in a very diverse range of applications and industries. At Scott Bader, we seek to work with customers to maximise the beneficial properties of our products whilst minimising the overall environmental impact of their use, whether that be waste generated, liquid effluent streams, gaseous emissions or the quantity required. Wherever possible, we work with our customers to create products bringing genuine environmental benefits, whether that be vehicles or marine craft with greater fuel efficiency from the use of polyester composites or carpet printing polymers for colour stability with greatly reduced water effluent loading or long lasting coatings for wind turbines.

We specifically will not sell our products to any company seeking to manufacture weapons of war.

### **What we are doing for our customers?**

Innovation, quality and technical expertise are at the core of Scott Bader's whole culture and offer to our customers, and we continue to invest heavily in R&D (both product and process development) to create products of real value to our customers and to the wider world in which we operate.

Specific examples of what we do for our customers are :

- tailored product development to deliver selected benefits at acceptable cost and with minimum environmental impact (eg. low biological or chemical oxygen demand thickeners)
  - process evaluation and optimisation (in laboratories and at customers' sites) to ensure optimal use of our products with the minimum impact on customers, staff and the wider environment, (eg. low styrene emission products, closed mould process support)
  - active advocacy and representation on behalf of our industry and our customers, to ensure that their needs and interests are fully considered by legislators and opinion-formers
  - the provision of health, safety and environmental specialist advice to minimise the risk to human health from our customers' operations, and their wider environmental impact
  - continually search out new, innovative products and chemistries which will deliver real customer value in a more sustainable manner with a lower overall environmental impact and carbon footprint, ideally sourced from naturally available and renewable resources.
- In all our activities, Scott Bader seeks to be a reliable, ethical and responsible supplier to our customers, adding value to their businesses and assisting them as they seek to provide their products and services with the least environmental impact possible.

### **Economic**

We use profit as one of the measures of business success, to sustain Scott Bader and as a means of fulfilling our Purpose.

Innovation is key to sustained growth and is at the heart of Scott Bader, with employees constantly looking for innovative developments for our products, processes and practices. There has also been a long standing business strategy of working with individual customers, investing in innovation and using our inherent flexibility to use the 'right raw materials to make the right

products in the right way'. The product list of several thousand products and raw material list of many hundreds of items illustrates this point well, though certain raw materials have been proactively phased out where they have been deemed to be environmentally incompatible with the above.

The Common Trusteeship structure of the company helps Customer Relationship Management because our partners understand that we can take a long-term view, without the short-term financial pressures of the Markets. Many companies are now promoting their 'sustainability Agenda' for the long-term but Scott Bader is proud to say that from the start of its 87 year history, it has promoted a forward thinking environmental and ethical approach to business.

### **Social**

The people employed across the Globe with Scott Bader are our most important asset. Together they provide a rich diversity of skills, knowledge and experience in different cultures and business environments which enhance our business performance. We are committed as a company to both rewarding, developing and retaining our people by offering market competitive employment conditions and valuing performance at all levels. We acknowledge the difference in values, principles and behaviours associated with operating in a multitude of countries with diverse cultures, faiths and ethnic diversity. Gender and racial equality have never been an issue for Scott Bader, the ownership structure of the company means that all people are treated as individuals, promoting peoples' respect for one another and therefore, these subjects have never troubled the Company.

Scott Bader is proud to maximise synergies by using global cross-functional working groups, where people of differing cultures and religions work towards the common goals of the Company. We promote on merit and nothing else. Equality of opportunity is a core principle of our company and our desire to respect the views of our staff are reflected in the commitment to full employee engagement and right to representation through our global employee representative bodies.

Safety, health and the environment are major areas of interest for Scott Bader. We operate tirelessly to ensure that our operating practices are of the highest standard to protect not only our employees but local residents and other stakeholders.

Working conditions are evaluated by monitoring accidents, health surveillance and the effectiveness of workplace controls and wages and salaries.

Care for people does not stop there: Scott Bader also encourages the growth and development of its employees, with a dedicated Learning and Development Manager co-ordinating schemes and events across the Scott Bader Group. The Company assists and encourages employees to achieve qualifications to develop in-house talent and expertise.

On all of its sites, including sub-contractors, Scott Bader intends to work to the highest standards regarding Safety. We are seeking zero lost-time accidents by developing adapted and new procedural practices as well as developing Safety awareness amongst our staff.

Health is a primary concern for us within our social responsibility, Scott Bader having had for a long time a far reaching Care Policy, striving to provide staff with excellent working conditions including management of stress at all levels. Our records in term of sickness are well below 3% for the Group.

It is part of our Founder's constitutional gift that we give to others. We have a well established tradition of helping those less fortunate than ourselves by sharing our business performance success through giving a certain amount of money, employee time or effort to worthy causes both in our local communities and internationally.

We look to actively participate in the communities we work and live in by encouraging relevant access to our resources and encouraging partnerships with educational institutions and like-minded bodies.

All employees of Scott Bader, as members of the Scott Bader Commonwealth, are given the opportunity to choose which charities are supported with funds on a local and international basis through a democratic process. The values of being a Trustee Ownership Enterprise are espoused through our desire to act as an exemplar to others.

## **Environmental**

Early in the 1950's Ernest Bader was already promoting the idea of optimising the use of natural resources in manufacturing products. This included the use of raw materials and only the necessary energy to transform these raw materials in finished products. To further fulfil this objective, Scott Bader has developed a plan of Energy reduction of 10% over the next 5 years as well as a reduction of sub-standards below 1%. SB is also promoting and developing new products for Industries minimising the use of fossil energy in order to minimise the overall Energy consumption over the life cycle of the final product.

By reducing the level of sub-standard product to below 1%, Scott Bader is aiming to reduce waste generation but is also working to reduce or re-use process by-products (especially process water) by developing new technologies. We also participate actively in re-use of packaging.

Over the last 5-10 years the Scott Bader UK and French sites have achieved ISO 14001 Environmental accreditation and all group manufacturing sites are working towards it in the next 5 years. All sites have well-established energy reduction and waste minimisation programs. Our direct operations are aiming in the direction of 'carbon neutrality' with on site renewable energy 'micro-generation' projects and funding for tree planting schemes being considered.

In line with our Purpose and Corporate Responsibility Statements our Environmental Activities have been pulled together in a formal process. A 'Sustainability Team' regularly reports back to the Group Executive Team on progress. R&D projects and collaborations are routinely assessed against a set of criteria to allow them all to be ranked in terms of sustainability. The measures used are:

- Reduce environmental impact of Scott Bader Operations
- Reduce environmental impact of Scott Bader products and raw materials
- Keep up with and embrace/anticipate legislation
- Create products for environmental applications

Over 30 current/existing projects have a strong environmental theme including:

- Low emission and low waste products
- Recycling and other end of life recovery especially for composite materials
- Substitution products using raw materials with lower energy input or other reduced environmental impacts
- Products for metal replacement
- Products designed to encourage/enable recycling of general/municipal waste and renewable energy generation

Scott Bader believes, as illustrated with the last two points above, that we should go beyond simply minimising any negative impact from our own operations and make a positive contribution globally by using our expertise and products to help the economy as a whole to become low carbon and more sustainable.

## **Business Ethics**

The founding principles of Scott Bader laid down by our founder Ernest Bader, placed emphasis on carrying out all our activities with a high level of openness, honesty and ethics. This standard remains the expectation of all Scott Bader employees today.

Scott Bader always seeks to deal with all its customers in an open, honest and trustworthy manner, consistent with our preferred business approach of long-term partnerships.

Scott Bader does not engage in any trading activity involving the use of bribes, or illegal payments, and any employee found to be doing so will be disciplined. Scott Bader seeks to fully comply with all local legislation wherever it operates, and will always seek to apply the highest business standards and behaviour where no legislation exists.

At Scott Bader we seek to act as an example to others in all we do, and especially in the business ethics by which we operate.